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MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE, MARKETING AREAU.S. DEPT. OF AGRICULTURE
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MAY 1975

Number 10

Released Pursuant to \$1000.3 and \$1090.86, USDA-AMS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. E. Bobo, Market Administrator

MARKET SUMMARY - MAY 1975

The Chattanooga Order MINIMUM uniform producer prices per cwt. at pool plants for milk testing 3.5% butterfat are Base Milk - \$8.88 and Excess Milk - \$7.04. The producer butterfat differential is 8.0 cents for each one-tenth of one percent above or below 3.5% test. This is a Base price decrease of \$1.01 and an Excess price increase of \$0.11 above May 1974.

In May, 1975, 79.3% of the producer milk received by pool plants was priced in Class I at \$9.01 per cwt. and 9.4% was priced in Class II at \$7.12 per cwt. and 11.3% was priced in Class III at \$7.02 per cwt. The May 1975 butterfat differential for all milk testing above or below 3.5% is 8.0 cents.

Total producer milk received during May 1975 was 30,511,079 pounds which is a decrease of 6,175,227 pounds or 16.8% compared with May 1974. Deliveries of producer Base milk exceeded producer milk used in Class I by 1,833,678 pounds or percentagewise only 92.96% of Base milk was used in Class I. The May 1975 daily average deliveries from 557 producers was 1,767 pounds. This compares to 749 farms delivering a daily average of 1,580 pounds per day during May 1974.

NOTICE OF HEARING ON PROPOSED AMENDMENTS

Notice is hereby given of a public hearing to be held at the U. S. Department of Agriculture (South Building, Jefferson Auditorium) 14th and Independence Avenue, Washington, D. C., beginning at 9:30 a.m. on June 26, 1975, with respect to proposed amendments to the tentative marketing agreements and to the orders, regulating the handling of milk in certain marketing areas, including Chattanooga, Order No. 90.

The hearing is being convened in less than 15 days from the publication of this notice in the Federal Register as the only means of giving due consideration at a public hearing to emergency marketing conditions relating to the proposed amendments.

The public hearing is for the purpose of receiving evidence with respect to the economic and emergency marketing conditions that relate to the proposal and any appropriate modifications thereof, to the tentative marketing agreements and to the orders.

The proposal set forth below, has not received the approval of the Secretary of Agriculture.

Proposal No. 1 - - Proposed by the National Milk Producers Federation

Modify the "fluid milk product" definitions and the "classification" provisions of the respective orders, as necessary, to provide a Class I classification for skim milk and butterfat in flavored milk and flavored milk drinks (including milkshake and ice milk mixes, except those disposed of for further processing in a commercial establishment) with a nonfat milk solids content of not less than 6.5 percent by weight.

Proposal No. 2 - - Proposed by the Dairy Division, Agricultural Marketing Service

Make such changes as may be necessary to make the entire marketing agreement and the order conform with any amendments thereto that may result from this hearing.

COMPARISON OF MILK RECEIPTS AND UTILIZATION 1/
(DAILY AVERAGE POUNDS)

	% May '75			
	Over	May	Apr.	May
	May '74	1975	1975	1974
Number of Plants - Pool		4	4	4
- Non-Pool		14	14	14
<u>RECEIPTS</u>				
Pool Plants - Producer Milk	-16.8	984,228	1,014,741	1,183,429
- Other Source	-24.8	50,114	40,726	66,634
- Other Federal Order		5,108	2,403	81,281
Non-Pool Plants - Cl. I Sales in Area	- .3	62,394	64,675	62,567
TOTAL MILK RECEIPTS	-21.0	1,101,844	1,122,545	1,393,911
<u>UTILIZATION</u>				
<u>Class I Uses</u>				
Homo Milk	+ 3.5	407,790	396,049	393,967
2% Milk	+19.1	254,207	247,214	213,429
Skim	+ .1	21,294	21,167	21,283
Buttermilk	+ 4.1	61,080	57,439	58,689
Flavored Milk and Drink	+ 1.5	35,471	37,063	34,954
Sub-Total of Pkg. Items (Pool Plants)	+ 8.0	779,842	758,932	722,322
Other		4,465	1,714	
Sales to Non-Pool Plants		-0-	-0-	74,993
In Area Sales by Non-Pool Plants	- .3	62,394	64,675	62,567
TOTAL CLASS I USAGE		846,701	825,321	
<u>Class II Uses - Pool Plants only</u>				
Sweet Creams - Routes	+ 7.6	2,648	2,311	2,461
Sour Cream and Dip - Routes	- 8.8	1,656	1,543	1,815
Yogurt - Routes	+77.9	790	593	444
Ice Cream	+35.9	99,877	81,446	73,480
Other		34,075	60,095	
Sales to Non-Pool Plants		4,150	4,419	
TOTAL CLASS II USAGE		143,196	150,407	
<u>Class III Uses - Pool Plants only</u>				
Animal Feed and Dumped	+13.2	6,072	4,449	5,366
Class III Shrinkage		17,596	16,310	
Inventory Variation		(13,029)	3,846	
Other, Overage, etc.		45	43	
Bulk Sales to Non-Pool Plants		101,263	122,169	
TOTAL CLASS III USAGE		111,947	146,817	
<u>IN AREA PACKAGE ROUTE DISPOSITION</u>				
<u>BY POOL PLANTS AND NON-POOL PLANTS</u>				
Homo Milk	- .5	315,321	307,668	316,922
2% Milk	+21.5	179,020	174,490	147,363
Skim and 1% Milk	- 3.1	15,165	15,458	15,658
Buttermilk	+ 2.6	47,634	44,431	46,413
Flavored Milk and Drink	+ 2.6	29,544	30,538	28,783
Total Class I Disposition In-Area	+ 5.7	586,684	572,585	555,139
<u>CLASS I PKG. ROUTE DISPOSITION</u>				
In-Area by Pool Plants	+ 6.4	524,290	507,910	492,719
In-Area by Non-Pool Plants		62,394	64,675	62,420

1/ The Order was amended effective August 1, 1974 to provide for a three use classification. Therefore, comparison with previous months are not made for all items of use.

COMPUTATION OF WEIGHTED AVERAGE PRICE

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MAY 1975	Class Percent	Butterfat Pounds	Product Pounds	Cwt. Price @ 3.5%	Total Value
Class I Producer Milk	79.349	662,304	24,210,214	\$9.01	\$2,181,340.27
Class II Producer Milk	9.381	263,724	2,862,356	7.12	203,799.75
Class III Producer Milk	11.270	214,886	3,438,509	7.02	241,383.34
TOTAL PRODUCER MILK	100.000	1,140,914	30,511,079		2,626,523.36
Less Handler Class I Location Adjustment					-0-
Add Value of Overages					-0-
Add Inventory Reclassification Charges			706,755	.18	1,272.16
Add Value of Class I Other Source Milk and Producer Location Adjustment					-0-
Add $\frac{1}{2}$ Producer-Settlement Fund Balance					9,946.75
Total Utilization Value @ 3.5% Test			30,511,079	8.645205	\$2,637,742.27
Less Producer-Settlement Fund Reserve			30,511,079	.045205	
WEIGHTED AVERAGE PRICE @ 3.5% TEST			30,511,079	\$8.60	

COMPUTATION OF UNIFORM BASE AND EXCESS PRICES

MAY 1975	Product Pounds	Cwt. Price @ 3.5%	Excess Value	Total Value
Total Utilization Value 3.5% Test	30,511,079	xxx	xxx	\$2,637,742.27
Excess Milk Used in Class I	-0-	\$9.01		
Excess Milk Used in Class II	1,028,678	7.12	73,241.87	
Excess Milk Used in Class III	3,438,509	7.02	241,383.33	
UNIFORM EXCESS PRICE @ 3.5% TEST	4,467,187	\$7.04	xxx	314,489.96
Less FMP from unregulated supply plants allocated to Class I @ Wt. Av. Price	-0-			-0-
TOTAL VALUE OF BASE MILK	26,043,892	8.920527		\$2,323,252.31
Less Producer-Settlement Fund Reserve	26,043,892	.040527		10,554.81
UNIFORM BASE PRICE @ 3.5% Test	26,043,892	\$8.88		\$2,312,697.50

MAY 1975 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANTS
BUTTERFAT DIFFERENTIAL 8.0¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS
3.0	\$8.48	\$6.64	4.0	\$9.28	\$7.44	5.0	\$10.08	\$8.24
3.05	8.52	6.68	4.05	9.32	7.48	5.05	10.12	8.28
3.1	8.56	6.72	4.1	9.36	7.52	5.1	10.16	8.32
3.15	8.60	6.76	4.15	9.40	7.56	5.15	10.20	8.36
3.2	8.64	6.80	4.2	9.44	7.60	5.2	10.24	8.40
3.25	8.68	6.84	4.25	9.48	7.64	5.25	10.28	8.44
3.3	8.72	6.88	4.3	9.52	7.68	5.3	10.32	8.48
3.35	8.76	6.92	4.35	9.56	7.72	5.35	10.36	8.52
3.4	8.80	6.96	4.4	9.60	7.76	5.4	10.40	8.56
3.45	8.84	7.00	4.45	9.64	7.80	5.45	10.44	8.60
3.5	8.88	7.04	4.5	9.68	7.84	5.5	10.48	8.64
3.55	8.92	7.08	4.55	9.72	7.88	5.55	10.52	8.68
3.6	8.96	7.12	4.6	9.76	7.92	5.6	10.56	8.72
3.65	9.00	7.16	4.65	9.80	7.96	5.65	10.60	8.76
3.7	9.04	7.20	4.7	9.84	8.00	5.7	10.64	8.80
3.75	9.08	7.24	4.75	9.88	8.04	5.75	10.68	8.84
3.8	9.12	7.28	4.8	9.92	8.08	5.8	10.72	8.88
3.85	9.16	7.32	4.85	9.96	8.12	5.85	10.76	8.92
3.9	9.20	7.36	4.9	10.00	8.16	5.9	10.80	8.96
3.95	9.24	7.40	4.95	10.04	8.20	5.95	10.84	9.00

CHATTANOOGA ORDER MINIMUM MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/ 4/		
	Per Hundredweight				Class I	Class II	Class III
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Cwt.	Cwt.
May '74	\$9.17 2/	\$9.89	\$6.93	7.6¢	\$10.30	\$6.93	
June	8.50 2/	9.17	6.31	7.2	9.88	6.31	
July	8.20 2/	8.66	6.29	7.2	9.08	6.29	
Aug.	8.21	-	-	7.7	8.46	6.49	\$6.39
Sept.	8.20	-	-	7.8	8.44	6.79	6.69
Oct.	8.35	-	-	7.9	8.54	6.92	6.82
Nov.	8.66	-	-	7.9	8.84	6.86	6.76
Dec.	8.43	-	-	7.5	8.97	6.51	6.41
Jan. '75	8.56	-	-	7.7	8.91	6.90	6.80
Feb.	8.49	-	-	7.8	8.95	6.95	6.85
Mar.	8.44 2/	8.75	6.86	7.8	9.00	6.96	6.86
Apr.	8.48 2/	8.78	6.95	8.0	9.00	7.04	6.94
May	8.60 2/	8.88	7.04	8.0	9.01	7.12	7.02
June	-	-	-	-	9.09	-	-
July	-	-	-	-	9.17	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK USE 4/				
	Chi. 92°	Chi. Area	Minn/Wisc.	(Daily Average)				Percentage Use
	Butter ¢ Lb.	Powder ¢ Lb.	Mfg. Milk Cwt. -3.5%	Class I Pounds	Class II Pounds	Class III Pounds	Cl. I	Cl. II Cl. III
May '74	60.51	66.22	\$6.93	804,711	378,718		68.0	32.0
June	60.57	58.45	6.31	697,373	443,971		61.1	38.9
July	60.83	56.52	6.29	715,569	324,116		68.8	31.2
Aug.	67.08	57.05	6.39	719,339	89,630	19,000	86.9	10.8 2.3
Sept.	67.71	56.93	6.69	729,330	71,550	51,283	85.6	8.4 6.0
Oct.	68.84	56.91	6.82	745,752	68,293	34,930	87.8	8.1 4.1
Nov.	68.88	56.94	6.76	782,226	56,786	32,846	89.7	6.5 3.8
Dec.	65.32	56.74	6.41	725,078	60,395	136,814	78.6	6.6 14.8
Jan. '75	66.82	56.73	6.80	764,045	72,610	84,210	83.0	7.9 9.1
Feb.	68.07	59.24	6.85	768,419	80,627	139,425	77.7	8.2 14.1
Mar.	68.07	60.58	6.86	738,878	82,184	181,403	73.7	8.2 18.1
Apr.	69.19	60.66	6.94	759,785	108,797	146,159	74.9	10.7 14.4
May	69.19	60.36	7.02	780,974	92,334	110,920	79.3	9.4 11.3

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/			PRODUCER DATA					
	No.	Total	Class I	Pool	No.	Total	Base	Average	Av. Per
	Hdlers	Receipts	Use 4/	Plants	Prod.	Delivery	Delivery	Test	Farm
May '74	18	1,393,911	868,280	4	749	1,183,429	899,410	3.67	1,580
June	18	1,302,939	753,227	4	722	1,141,344	877,774	3.61	1,581
July	18	1,178,805	765,797	4	731	1,039,685	841,605	3.59	1,422
Aug.	17	983,351	818,969	3	579	827,969	-	3.62	1,430
Sept.	17	990,981	805,362	3	561	852,163	-	3.64	1,519
Oct.	18	1,009,566	848,006	4	517	848,975	-	3.77	1,642
Nov.	18	1,001,646	862,322	4	549	871,858	-	3.81	1,588
Dec.	18	1,030,894	790,484	4	616	922,287	-	3.94	1,497
Jan. '75	19	1,047,656	837,544	4	525	920,865	-	3.89	1,754
Feb.	19	1,108,305	836,919	4	601	988,471	-	3.85	1,645
Mar.	18	1,124,083	803,678	4	567	1,002,465	841,666	3.87	1,768
Apr.	18	1,122,545	825,321	4	562	1,014,741	854,515	3.78	1,806
May	18	1,101,844	846,701	4	557	984,228	840,125	3.74	1,767

1/ Excludes Premium

2/ Weighted Average Price

3/ Other Source is Gross minus Producer

4/ Order amended August 1, 1974, to provide for three classes of utilization; therefore, not comparable in all categories to previous months.